## REMARKS

Favorable consideration and allowance of the present application is respectfully requested.

Claims 65-107, including independent claims 65, 100, and 104, are currently pending in the present application. Independent claim 65, for instance, is directed to a method of applying an image to a substrate. The method employs a first heat transfer material that comprises a first base layer, a first release layer overlying the first base layer, and a peelable transfer film on which the image is formed. The peelable transfer film comprises an adhesive layer overlying the base layer and a flow-resistant layer overlying the adhesive layer. The method also employs a second heat transfer material that comprises a second base layer, a second release layer overlying the second base layer, and an overlay transfer film overlying the second release layer. The peelable transfer film is positioned between the substrate and the overlay transfer film, wherein the adhesive layer is positioned between the substrate and the flow-resistant layer. Heat and pressure are applied to transfer the peelable transfer film and the overlay transfer film to the substrate. The adhesive layer and overlay transfer film are meltflowable at the transfer temperature, while the flow-resistant layer is not appreciably melt-flowable at the transfer temperature.

In the Office Action, previous independent claims 35, 55, and 60 were rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 6,017,636 to <u>Tada, et al.</u> Is directed to a transfer system that employs a transfer layer formed from an emulsion-type urethane resin and preferably a ceramic micropowder. Referring

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to Fig. 1, for instance, one embodiment of the transfer system of <u>Tada, et al.</u> employs a first transfer sheet A having the following layers:

- (1) Urethane emulsion resin layer 2 containing a ceramic micropowder; and
- (2) Release sheet 1.

The transfer system of Fig. 1 also employs a second transfer sheet B having the following layers:

- (1) Lower, heat-adhering resin layer 4;
- (2) Middle layer 5; and
- (3) Upper, heat-adhering resin layer 6 containing a pigment or micropowder.

The upper layer 6 becomes the background layer for the toner image layer after heat-transfer. The upper layer 6 is preferably formed from a urethane resin emulsion having a softening point of 140°C to 220°C. The lower layer 4 is preferably formed from a solvent-type urethane resin and polyester type resin, and softens and flows into the inner surface of the transfer object. The middle layer 5 functions to keep together the upper layer 6 and the lower layer 4, and is preferably formed from the same resin composition as the lower layer 4. (Col. 6).

After heat transfer in <u>Tada</u>, et al., the image is disposed between the urethane emulsion layer 2 and the upper layer 6, which is also preferably formed from an urethane emulsion. According to <u>Tada</u>, et al., the urethane emulsion layer 2 has a specific softening point such that it can prevent the flow of a toner layer during heat-pressing. Specifically, the urethane emulsion is said to preferably have a softening

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point of 140°C to 220°C, while transfer preferably occurs at a temperature of 120°C to 180°C. (Cols. 4-5).

In stark contrast, independent claims 65, 100, and 104 require the use of an "overlay transfer film" (including a layer thereof) that is "melt-flowable" at the transfer temperature. In this manner, the overlay transfer film may fuse or melt together with the "peelable transfer film" to form a matched "fused" laminate. Moreover, the claimed peelable transfer film also contains an "adhesive layer" that can provide permanent bonding to a substrate after application of heat and pressure, as well as a "flow-resistant layer" that, although may soften with heat, does not flow appreciably into the substrate upon transfer. Such a flow-resistant layer may inhibit graying and loss of opacity of an image, particularly when used on dark-colored substrates. Applicants respectfully submit that <u>Tada</u>, et al. simply fails to disclose or suggest all of the limitations of the method of independent claims 65, 100, and 104.

Thus, for at least the reasons set forth above, it is believed that the present application is in complete condition for allowance and favorable action, therefore, is respectfully requested. Examiner Chan is invited and encouraged to telephone the undersigned, however, should any issues remain after consideration of this Amendment.

Please charge any additional fees required by this Amendment to Deposit Account No. 04-1403.

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Date: 6/1/66

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